NIKO RESOURCES LTD

Q3 RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2013

NIKO REPORTS RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2013

Niko Resources Ltd. ("Niko" or the "Company") is pleased to report its operating and financial results for the quarter ended December 31, 2013. The operating results are effective February 13, 2014. All amounts are in U.S. dollars unless otherwise indicated and all amounts are reported using International Financial Reporting Standards unless otherwise indicated.

PRESIDENT'S MESSAGE TO THE SHAREHOLDERS

In the second quarter of fiscal 2014, the company announced a shift in its strategic focus. The company determined to focus its resources on further developing and exploiting its assets in the D6 Block in India and Block 9 in Bangladesh. To accomplish this, the company ceased its immediate exploration efforts in Indonesia and Trinidad, but instead sought to work with various governments and partners to maximize and preserve the optionality of its exploration portfolio, while working to strengthen its balance sheet.

In the third quarter of fiscal 2014, the Company made significant strides in furthering this shift in strategic focus. The Company closed its $340 million debt facility while simultaneously raising approximately $30 million (net) in equity. These proceeds were used to pay off the revolving credit facility, the secured loan agreement and $30 million of the $43 million of unsecured notes outstanding prior to closing, extending the majority of the Company's debt maturities out to calendar 2017. The Company also successfully finalized a settlement of its long-term drilling contract obligations for $25 million of cash upfront plus $55 million in payments over the next few years. Importantly, the net effect of these transactions was to add $174 million in cash to the Company's balance sheet.

We believe the substantial increase to the Company's cash balance will give it the time and resources to execute on the new strategic focus and fund its expenditures to further develop the D6 Block. The Company is also striving to farm out or sell its working interests outside India and Bangladesh in a manner that preserves optionality to realize upside benefits while eliminating, reducing or deferring commitments. The Company is also working with its vendors in Indonesia and Trinidad to resolve the payables accrued from its drilling programs.

Looking forward, the Company sees its circumstances turning more favorable. Production from the MA-8 well in the MA field in the D6 Block came on stream in January, commencing a new phase of increasing production in India for the first time in almost four years; the results of a successful appraisal well drilled in the significant MJ oil and gas field discovered earlier in the year are being evaluated; and the prices for gas sales from the D6 Block are set to be approximately double on April 1, 2014. The Company is working with Reliance, the operator of the D6 Block, on providing bank guarantees required by the Government of India in order to receive the increased revenues for gas sales from the Dhirubhai 1 and 3 fields in the block.

I want to thank the entire Niko team, employees, advisors and Board of Directors, for their hard work and dedication over this period of difficulty and uncertainty. It truly took a team effort to accomplish what we did. And, while much hard work remains to be done, I believe that this team is capable of accomplishing the work required to lead Niko and its shareholders to a brighter future.

I am also pleased to announce that, effective immediately, Wendell Robinson, has been appointed as the Company's non-executive Chairman of the Board, as successor to Ed Sampson, who retired from his positions of Chairman, CEO and President of the Company, effective December 31, 2013. The Board thanks Ed for his leadership and contribution during his 18 years with Niko and welcomes Wendell to his new role.

Jake Brace – President, Niko Resources Ltd.

LIQUIDITY AND CAPITAL RESOURCES

In the third quarter of fiscal 2014, the Company secured $340 million of term loan facilities, closed an offering of equity securities for net proceeds of approximately $30 million, and executed a settlement agreement with Diamond Offshore for drilling contract obligations. The Company's revolving credit facility and secured loan agreement were fully repaid, and the outstanding principal amount of its unsecured notes were reduced to approximately $13 million at closing (subsequently reduced to approximately $9 million at December 31, 2013 through conversion of $3.6 million into common shares). The $174 million of net proceeds from the above transactions provides significant financial capacity for the Company's planned capital program, focused primarily on developing and appraising the assets in the D6 Block in India. In January, 2014, the Company decided to forego its option to drawdown the $20 million Facility D of its $340 million term loan facilities, with the outstanding balance on the term loan remaining at $320 million.

The Company has the following sources of cash for funding of its planned operating, investing and financing cash outflows (including working capital requirements):

- Unrestricted cash and cash equivalents at December 31, 2013 of $80 million;
- Restricted cash at December 31, 2013 of $110 million that is available for funding of expenditures related to the D6 Block in India (including working capital requirements);
- Anticipated oil and natural gas revenues from its producing assets in India and Bangladesh;
- Potential proceeds from asset sales, farm-outs and other arrangements; and
- Potential proceeds from future equity or debt issues.

The restricted cash and anticipated oil and gas revenues are expected to be sufficient to satisfy the anticipated cash requirements of its operating subsidiaries in India and Bangladesh for the foreseeable future.

As at December 31, 2013, the Company had a working capital surplus of $19 million, which reflects $132 million of accounts payable and accrued liabilities related to its exploration subsidiaries, primarily in Indonesia and Trinidad, and has significant exploration work commitments over the next several years. The terms of the Company's term loan facilities limit the funding of capital expenditures and working capital requirements in these areas and the Company is evaluating its options for these subsidiaries as part of its strategy of maintaining optionality in its exploration portfolio. The Company is pursuing sales of assets, farming out portions of its interests in many of its exploration production sharing contracts and rescheduling its exploration commitments. There is significant uncertainty regarding whether these efforts will be sufficient to allow certain of the Company's exploration subsidiaries to meet existing and future obligations and continue activities in the future.

REVIEW OF OPERATIONS AND GUIDANCE

Sales Volumes

(MMcfe/d)	Quarter ended December 31, 2013	Quarter ended September 30, 2013
D6 Block, India	47	54
Block 9, Bangladesh	62	56
Other[1]	2	2
Total[2]	112	113

[1] Other includes Hazira in India, and Canada.
[2] Figures may not add up due to rounding.

Total sales volumes for the third quarter of fiscal 2014 were virtually flat compared for the second quarter of fiscal 2014 as the positive impact of workovers in the Bangora field in Block 9 in Bangladesh offset the impact of natural declines and the benefit of sales in the second quarter of crude oil volumes held in inventory at the end of the first quarter in the D6 field in India. Total sales volumes for the first three quarters of fiscal 2014 averaged 110 MMcfe/d.

In the fourth quarter of fiscal 2014, sales volumes in the D6 Block in India have increased for the first time in nearly four years as a result of development activities. Commencement of production from the MA-8 development well in the MA oil and gas field in early January 2014 will contribute to an annual average sales volumes forecast for the Company of approximately 112 MMcfe/d for fiscal 2014. Annual average sales volumes for fiscal 2015 are forecast to increase by 10 percent or more, dependent on the timing and results of planned development activities in the D6 Block.

EBITDAX[1]

(millions of U.S. dollars)	Quarter ended December 31, 2013	Quarter ended September 30, 2013
EBITDAX[2]	24	38

[1] EBITDAX is a non-IFRS measure as defined by the Company in its quarterly filings of its Management's Discussion and Analysis on SEDAR at www.sedar.com. The most comparable IFRS measure is net loss and a reconciliation of EBITDAX to net loss is contained in the Company's Management's Discussion and Analysis.
[2] Includes other income related to cash gain of a farm-out.

EBITDAX for the third quarter of fiscal 2014 was $24 million compared to $38 million for the second quarter of fiscal 2014, primarily due to the second quarter benefit of an $18 million cash gain related to the Company's farm-out of a 40 percent interest in the Grand Prix block in Madagascar. EBITDAX for the first three quarters of fiscal 2014 was $81 million.

For fiscal 2014, EBITDAX is forecast to exceed $100 million. For fiscal 2015, EBITDAX is forecast to increase significantly, reflecting higher forecasted sales volumes and the Company's estimate of the projected benefit of improved pricing for natural gas sales in India.

Capital and Exploration Expenditures, net of Proceeds of Farm-outs and Other Arrangements

(millions of U.S. dollars)	Quarter ended December 31, 2013	Quarter ended September 30, 2013
Total [1]	47	112

[1] Excludes proceeds related to cash gain of a farm-out recorded as other income.

Capital and exploration expenditures, net of proceeds of farm-outs and other arrangements, totaled $47 million for the third quarter of fiscal 2014, primarily related to the drilling of development and appraisal wells in the D6 Block in India and a compression project in Block 9 in Bangladesh, along with costs associated with suspension of the Company's exploration drilling program in Indonesia.

In India and Bangladesh, the Company's development and appraisal expenditures are forecast to be approximately $175 million over fiscal 2014 and fiscal 2015 combined (including $43 million expended during the first three quarters of fiscal 2014).

Outside of India and Bangladesh, in the third quarter of fiscal 2014, the Company executed a farm-out agreement with Range Resources Limited for 50 percent of the Company's interests in the Guayaguayare Shallow and Deep PSCs in Trinidad. Range is to earn its interest by funding two onshore commitment wells and a potential appraisal well at its sole expense, and will share the cost of drilling an offshore commitment well equally with Niko. The first onshore well is targeted to spud in early 2014. In the fourth quarter of fiscal 2014, the Government of Indonesia approved the transfer of a 100% interest in the Semai V PSC from Hess Corporation to Niko in connection with a definitive agreement signed in August 2013, and the Company received certain consideration in exchange for assuming the interest in the PSC. Two wells have been previously drilled in the block, Andalan 1 and 2, with one future commitment well yet to be drilled. Drilling results from these wells indicate hydrocarbon potential remaining on the block. The Company will work to farm out a portion of its interest in the Semai V PSC, located offshore Papua province in eastern Indonesia.

The Range farm-out and the Hess transaction are part of the Company's strategy to maintain optionality in its exploration portfolio by farming out portions of its interests in many of its exploration PSCs and rescheduling its exploration commitments. Over the next few years, the Company plans to restrict its exploration expenditures outside of India and Bangladesh, net of proceeds of farm-outs and other arrangements, to less than $35 million per year.

FINANCIAL RESULTS

Net Loss

(millions of U.S. dollars)	Quarter ended December 31, 2013	Quarter ended September 30, 2013
Net loss	(448)	(149)

Net loss for the third quarter of fiscal 2014 was $(448) million compared to a net loss of $(149) million for the second quarter of fiscal 2014. In the current quarter, the Company recorded after-tax asset impairments totaling $339 million related to the Company's exploration and evaluation assets in Indonesia and Trinidad, exploration and evaluation expenses of $40 million, and restructuring costs of $38 million.

Q3 Interim Report

Copies of the Company's Q3 Interim Report for the quarter ended December 31, 2013 (including Management's Discussion and Analysis and the consolidated Financial Statements for the quarter ended December 31, 2013) are available on the Company's website and have been filed with securities regulatory authorities and will be available by referring to the Company's profile on SEDAR at www.sedar.com.

Conference Call

Niko will be hosting its Q3 Results conference call on Friday, February 14, 2014 at 9:00 am MST/ 11:00 am EST. The conference call will be webcast and the link to the webcast is http://www.gowebcasting.com/5255. A transcript of the conference call will be available on the Company's website until February 21, 2014.

For further information, please contact:

Niko Resources Ltd. (403) 262-1020, Jake Brace, President, or Glen Valk, VP Finance & CFO, or visit the Company's website at www.nikoresources.com.

Forward-Looking Information

Certain statements in this press release constitute forward-looking information within the meaning of applicable securities legislation. Specifically, this press release contains forward-looking information relating to the proposed shift in strategic focus of the Company, the proposed sale of non-core assets and farm-out transactions involving exploratory production sharing contracts, possible resolution of outstanding payables from the Indonesian and Trinidad drilling programs, sources of funding for planned operating activities, drilling activities in the D6 Block in India and the corresponding increases in sales volumes from these drilling activities anticipated in fiscal 2014 and 2015, forecast EBITDAX for 2014 and 2015 and planned capital and exploration expenditures for 2014 and 2015. Undue reliance should not be placed on forward-looking information. Such forward-looking information reflects the Company's current beliefs and assumptions and is based on information currently available to the Company. This forward-looking information is based on certain key expectations and assumptions, including expectations and assumptions regarding its future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities, prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities, the availability and cost of labour and services and general market conditions. The reader is cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors and such variations may be material. Such risk factors include, but are not limited to: the risks associated with the oil and natural gas industry in general, such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, government regulation, marketing and transportation risks, environmental risks, competition, the ability to access sufficient capital from internal and external sources, changes in tax, royalty and environmental legislation, the impact of general economic conditions, imprecision of reserve estimates, the lack of availability of qualified personnel or management, stock market volatility, risks associated with meeting all of the Company's financing obligations and contractual commitments (including work commitments), the risks discussed under "Risk Factors" in the Company's most recent Annual Information Form and in the Company's public disclosure documents, and other factors, many of which are beyond the Company's control. Niko makes no representation that the actual results achieved during the forecast period will be the same in whole or in part as those forecast.

Non-IFRS Measures

The selected financial information presented throughout this press release is prepared in accordance with IFRS, except for "EBITDAX" and "funds from operations". The Company utilizes EBITDAX and funds from operations to assess past performance and to help determine its ability to fund future capital projects and investments. EBITDAX is calculated as net income before interest expense, income taxes, depletion and depreciation expenses, exploration and evaluation expenses, and other non-cash items (gain or loss on investments, asset impairment, share-based compensation expense, restructuring expenses, accretion expense, and unrealized foreign exchange gain or loss). Funds from operations is calculated as cash flows from operating activities prior to the change in operating non-cash working capital, the change in long-term accounts receivable and exploration and evaluation costs expensed to the statement of comprehensive income. Funds from operations should not be viewed as a substitute for measures of financial performance presented in accordance with IFRS or as a measure of a company's profitability or liquidity. This non-IFRS measure do not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. Refer to the Company's Management's Discussion and Analysis for details on these non-IFRS financial measures.